

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2021.

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INDEPENDENT AUDITOR'S REVIEW REPORT

AM/ 007608

To the Chairman and Board of Directors
Jordan Insurance Company
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Jordan Insurance Company (A Public Shareholding Limited Company) "the Company", as of September 30, 2021 and the related interim condensed statements of profit or loss and comprehensive income for the three months and nine-months period ended September 30, 2021, and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory information. The management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared in all material respects, in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matter

The accompanying interim condensed financial information are a translation of the statutory interim condensed financial statements in the Arabic language to which reference should be made.

Amman – The Hashemite Kingdom of Jordan
October 31, 2021

Deloitte & Touche (M.E.) – Jordan
ديلويت، آند توش (إل.إ.إ.)
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	Note	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Deposits at banks	4	26,308,477	18,151,137
Financial assets at fair value through statement of profit or loss	5	2,618,551	2,251,681
Financial assets at fair value through statement of comprehensive income	6	26,884,814	16,896,521
Investment properties - net	7	15,391,077	16,398,445
Life insurance policyholders' loans		38,539	44,539
Total Investments		<u>71,241,458</u>	<u>53,742,323</u>
Cash on hand and at banks		3,850,963	7,869,376
Notes receivable and checks under collection - net	8	3,505,647	3,000,514
Receivables - net	9	16,543,312	14,588,428
Reinsurance receivables - net	10	5,327,873	3,837,982
Deferred tax assets	18/d	2,764,147	3,167,997
Property and equipment - net		1,003,698	1,029,524
Intangible assets - net		277,054	237,112
Other assets	11	2,872,562	2,233,204
TOTAL ASSETS		<u>107,386,714</u>	<u>89,706,460</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		12,128,255	11,438,068
Outstanding claims reserve - net		15,605,357	14,817,111
Mathematical reserve - net		1,382,417	1,472,226
Premiums deficiency reserve		86,611	113,540
Total Insurance Contracts Liabilities		<u>29,202,640</u>	<u>27,840,945</u>
Due to Banks	12	17,975,889	11,029,220
Payables		2,975,598	2,540,997
Reinsurance payables	13	4,314,103	5,718,710
Various provisions		1,133,105	1,199,366
Income tax provision	18/a	-	255,662
Deferred tax liabilities	18/d	1,314,001	275,659
Other liabilities		772,630	842,319
TOTAL LIABILITIES		<u>57,687,966</u>	<u>49,702,878</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve		5,924,521	(2,736,253)
Retained earnings		5,239,835	5,239,835
Profit for the period		1,034,392	-
TOTAL SHAREHOLDERS' EQUITY		<u>49,698,748</u>	<u>40,003,582</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>107,386,714</u>	<u>89,706,460</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (25) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS AND THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Note	For the Three-Months		For the Nine-Months	
		Period Ended September 30,		Period Ended September 30,	
		2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
		JD	JD	JD	JD
Revenue:					
Gross written premiums - general insurance		10,979,029	10,723,727	35,593,194	34,636,200
Gross written premiums - life		6,416,931	5,436,878	16,901,113	15,625,180
<u>Less:</u> Re-insurers' share - general insurance		4,450,839	4,385,189	16,929,066	15,950,561
Re-insurers' share - life		4,244,887	3,477,760	10,793,175	9,426,784
Net Written Premiums		8,700,234	8,297,656	24,772,066	24,884,035
Net change in unearned premiums reserve		(543,129)	(25,383)	(616,068)	438,969
Net change in mathematical reserve		(39,750)	66,086	89,809	147,190
Net change in premiums deficiency reserve		5,340	15,420	31,228	90,245
Net Earned Written Premiums		8,122,695	8,353,779	24,277,035	25,560,439
Commissions' revenue		364,429	363,884	1,909,026	1,767,203
Insurance policies issuance fees		425,385	379,107	1,169,658	1,046,226
Credit interest		53,426	24,920	177,135	192,585
Net gain from financial assets and investments		468,251	269,589	1,237,071	325,966
Other revenue		199,037	296,069	634,981	751,412
Total Revenue		9,633,223	9,687,348	29,404,906	29,643,831
Claims, Losses and Expenses:					
Paid claims		14,237,733	13,285,237	38,986,357	31,742,988
<u>Less:</u> Recoveries		1,019,412	1,025,385	2,751,783	2,353,154
<u>Add:</u> Matured and dissolved policies		11,122	21,861	26,833	125,740
<u>Less:</u> Re-insurers' share		7,267,017	6,475,798	19,801,143	14,284,491
Net Paid Claims		5,962,426	5,805,915	16,460,264	15,231,083
Net change in outstanding claims reserve		5,436	(222,375)	701,481	437,176
Allocated employees' expenses		1,051,287	1,115,937	3,171,161	3,357,583
Allocated general and administrative expenses		568,233	487,528	1,626,918	1,551,333
Excess of loss premiums		144,035	128,627	432,104	416,235
Policies acquisition costs		632,079	1,043,700	2,076,043	2,518,780
Other expenses related to underwritings		671,285	396,801	1,409,223	1,203,514
Net Paid Claims Costs		9,034,781	8,756,133	25,877,194	24,715,704
Unallocated employees' expenses		185,365	197,066	560,866	592,027
Depreciation and amortization		63,117	63,738	187,105	191,789
Unallocated general and administrative expenses		109,830	82,562	303,858	291,681
Allowance for expected credit loss		-	-	-	250,000
Bank interests and charges		429,105	226,303	1,131,266	589,830
Other expenses		34,725	38,217	110,552	113,804
Total Expenses		822,142	607,886	2,293,647	2,029,131
Income for the Period before Tax		(223,700)	323,329	1,234,065	2,898,996
<u>Less:</u> Income Tax Surplus (Expense)	18/b	111,211	87,844	(199,673)	(42,674)
Profit for the Period		(112,489)	411,173	1,034,392	2,856,322
Earnings Per Share for the Period (Basic and Diluted)	14	(-/004)	-/014	-/034	-/095

THE ACCOMPANYING NOTES FROM (1) TO (25) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	For the Three-Months Period Ended September 30,		For the Nine-Months Period Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Income for the period	(112,489)	411,173	1,034,392	2,856,322
Other Comprehensive Income Items Statement:				
<u>Items that will not be reclassified subsequently to the statement of profit or loss:</u>				
(Loss) from sale of financial assets at fair value through other comprehensive income	-	(510,244)	-	(510,244)
Net change in fair value - financial assets at fair value through statement of comprehensive income	2,656,509	4,690,998	8,660,774	1,379,888
Total Comprehensive Income for the Period	2,544,020	4,591,927	9,695,166	3,725,966

THE ACCOMPANYING NOTES FROM (1) TO (25) CONSTITUTE AN INTEGRAL

PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTHS PERIOD ENDED September 30, 2021

	Paid - up Capital		Statutory Reserve		Financial Assets Evaluation Reserve		Retained Earnings Unrealized		Profit for the Period		Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
<u>For the Three-Months Period Ended September 30, 2021</u>											
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	(2,736,253)	3,719,193	1,520,642	-	-	-	-	40,003,582	
Profit for the period	-	-	-	-	-	-	-	1,034,392	-	1,034,392	
Total other comprehensive income items for the period - net	-	-	8,660,774	-	-	-	-	-	-	8,660,774	
Total Comprehensive Income for the Period	-	-	8,660,774	-	-	-	-	1,034,392	-	9,695,166	
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	5,924,521	3,719,193	1,520,642	-	-	1,034,392	-	49,698,748	
<u>For the Nine-Months Period Ended September 30, 2020</u>											
Balance at the beginning of the Period (Audited)	30,000,000	7,500,000	(4,197,641)	1,217,741	1,520,642	-	-	-	-	36,040,742	
Profit for the Period	-	-	-	-	-	-	-	2,856,322	-	2,856,322	
Total other comprehensive income items for the period - net	-	-	1,379,888	(153,007)	(357,237)	-	-	-	-	869,644	
Total Comprehensive Income for the period	-	-	1,379,888	(153,007)	(357,237)	-	-	2,856,322	-	3,725,966	
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(2,817,753)	1,064,734	1,163,405	-	-	2,856,322	-	39,766,708	

a. Retained earnings balance includes a restricted amount of JD 2,170,369 as of September 30, 2021 representing deferred tax assets (JD 2,285,042 as of December 31, 2020).

b. Retained earnings balance includes a restricted balance of JD 1,221,061 as of September 30, 2021, representing the effect of the early adoption of IFRS (9), which represents revaluation of financial assets at fair value through statement of profit or loss according to the directives of Securities Exchange Commission.

THE ACCOMPANYING NOTES FROM (1) TO (25) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED September 30, 20201

	Note	For the Nine-Months Period	
		Ended September 30,	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		1,034,392	2,898,996
Adjustments:			
Depreciation and amortization		187,105	191,789
Allowance for expected credit losses	8, 9, 10	-	250,000
Impact of foreign exchange currency		48,014	-
Various provisions		93,731	344,065
(Gains) Losses on revaluation of financial assets at fair value through statement of profit or loss		(366,870)	177,892
(Gains) on sale of investments property		(191,193)	-
Net change in unearned premiums reserve		616,068	(438,969)
Net change in outstanding claims reserve		701,481	437,176
Net change in mathematical reserve		(89,809)	(147,190)
Net change in premiums deficiency reserve		(31,228)	(90,245)
Cash Flows from Operating Activities before Changes in Working Capital Items		2,001,691	3,623,514
(Increase) in checks under collection and notes receivable		(510,078)	(511,021)
(Increase) in receivables		(1,997,953)	(161,688)
Change in financial assets through statement of profit or loss		(366,870)	17,151
(Increase) in re-insurance receivables		(1,490,891)	(1,206,712)
(Increase) in other assets		(639,358)	(748,495)
Increase (decrease) in payables		434,601	(6,898)
(Decrease) in re-insurance payables		(1,404,607)	(359,465)
Increase (decrease) in various provisions		1,184	(285,351)
Increase (decrease) in other liabilities		694,369	(53,242)
Net Cash Flows (used in) from Operating Activities before Income Tax Paid		(3,277,912)	307,793
Paid from various provisions		(161,176)	-
Income tax paid	18/a	(371,993)	(364,161)
Net Cash Flows (used in) Operating Activities		(3,811,081)	(56,368)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) Decrease in deposits at banks maturing after more than three months		(42,000)	108,000
Decrease in Life insurance policy holders' loans		6,000	-
Change in property and equipment and intangible assets - net		(142,334)	(138,493)
(Increase) in investments property		(60,326)	(156,423)
Proceeds from selling in investments property		1,200,000	-
Proceeds from selling in financial assets at fair value through comprehensive income		-	2,493,593
Net Cash Flows from Investment Activities		961,340	2,306,677
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in due to banks		6,946,669	(1,104,747)
Net Cash Flows from (used in) Financing Activities		6,946,669	(1,104,747)
Net increase in cash		4,096,928	1,145,562
Cash and cash equivalents - beginning of the year		23,586,890	21,104,815
Cash and Cash Equivalents - End of the period	15	27,683,818	22,250,377

THE ACCOMPANYING NOTES FROM (1) TO (25) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

1. Incorporation and Activities

- a. Jordan Insurance Company ("the Company") was established in 1951 and registered as a Jordanian public shareholding limited Company under number (11) with an authorized capital of JD 100 thousand. On July 12, 1981, the Company's capital was increased to JD 1.1 million. On May 1, 1988, General Insurance Society for Near East Company (Al - Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after revaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares at JD 1 per share. Furthermore, the Company's capital was increased in stages, the latest of which was during the year 2006. Accordingly, the Company's authorized and paid-up capital was increased by JD 10 million to become JD 30 million, divided into 30 million shares of JD 1 per share. The Company's address is Amman - Prince Mohammed Street, P.O. Box 279 Amman 11118, The Hashemite Kingdom of Jordan.

The Company conducts all types of insurance activities inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharja and Dubai. It also markets insurance policies in Kuwait through an agency.

2. Basis of Preparation

- The accompanying interim condensed financial information for the nine-months period ended September 30, 2021 have been prepared in accordance with the International Accounting Standard No. (34) (Interim Financial Reporting).
- The interim condensed financial information are prepared in Jordanian dinar, which represents the Company's functional and presentation currency.
- The interim condensed financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual financial statements for the year ended December 31, 2020. Moreover, the results of operations for the nine-months period ended September 30, 2021 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2021. No appropriation occurred on the profit of the period ended September 30, 2021 which is performed at the end of the financial year.

Judgments, Estimates and Risk Management

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2020.

3. Significant Accounting Policies

The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2020.

Except for the effect of implementing the new and modified standards of IFRS, which took effect in this period as shown below:

Interest Rate Benchmark Reform - Phase 2 amendments

Effective from January 1, 2021, the Company has implemented Interest Rate Benchmark Reform - Phase 2 amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

The amendments require an Company to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. In addition it provides certain exceptions to hedge accounting requirements.

4. Deposits at Banks

This item consists of the following:

	<u>September 30, 2021 (Reviewed)</u>			<u>December 31, 2020 (Audited)</u>
	<u>Deposits Maturing Within Three Months</u>	<u>Deposits Maturing In More than Three Months</u>	<u>Total</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Deposits at banks inside Jordan	1,720,983	485,334	2,206,317	4,084,908
Deposits at banks outside Jordan	22,111,872	1,990,288	24,102,160	14,066,229
Total	<u>23,832,855</u>	<u>2,475,622</u>	<u>26,308,477</u>	<u>18,151,137</u>

- Deposits pledged as collaterals to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of September 30, 2021 and December 31, 2020 and its maturity exceed three-months.
- Interest rates on bank deposit balances in Jordanian Dinars ranges from 2% to 4% and US Dollar from 0,05% to 0,25% as of September 30, 2021 and December 31, 2020.

5. Financial Assets at Fair Value through Statement of Profit or Loss

This item consists of the following:

	<u>September 30, 2021 (Reviewed)</u>	<u>December 31, 2020 (Audited)</u>
	<u>JD</u>	<u>JD</u>
Quoted shares	<u>2,618,551</u>	<u>2,251,681</u>
	<u>2,618,551</u>	<u>2,251,681</u>

6. Financial Assets at Fair Value through Statement of Comprehensive Income

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
<u>Inside Jordan</u>	JD	JD
Quoted shares	5,019,300	3,915,061
Unquoted shares	29,825	21,843
	<u>5,049,125</u>	<u>3,936,904</u>
<u>Outside Jordan</u>		
Quoted shares	17,596,245	8,720,173
Unquoted shares *	4,239,444	4,239,444
	<u>21,835,689</u>	<u>12,959,617</u>
Total Financial assets at Fair Value through comprehensive income	<u>26,884,814</u>	<u>16,896,521</u>

- * This item represents an amount of JD 4,069,983 (net after increasing the impact of revaluation amounting to JD 731,133 as of September 30, 2021), investment in Asia Insurance Company's shares (Iraq), and the shares registered in the Company's name reached an amount of 5,925,000,000 Share / Iraqi Dinar equivalent to 19,75% of the company's paid-up capital as of September 30, 2021 and December 31, 2020.

7. Investment Properties - Net

a. This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Lands	11,822,776	12,753,008
Net buildings after depreciation	3,568,301	3,645,437
	<u>15,391,077</u>	<u>16,398,445</u>

- b. Additions to investment properties amounted to JD 60,326 during the period ended September 30, 2021.
- c. The company sold a plot of land number (677), Block (15) in July 2021 at JD 1,200,000, resulted in JD 191,000 gains on sale of land for the period ended September 30, 2021.
- d. The fair value of investment property has been evaluated by real estate appraisers at JD 26,433,643 as of September 30, 2021 and at JD 28,116,536 as of December 31, 2020.

8. Notes Receivable and Cheques under Collection - Net

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Notes receivable	40,550	60,550
Checks under collection *	3,636,092	3,106,014
	3,676,642	3,166,564
<u>Less: Expected credit loss **</u>	<u>(170,995)</u>	<u>(166,050)</u>
	<u>3,505,647</u>	<u>3,000,514</u>

- * The maturity date of the checks under collection extend until February 2023.

** Movement of expected credit loss related checks under collection as follows:

	For the Nine- Months Ended September 30, 2021 (Reviewed)	For the Year Ended December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	166,050	166,050
Impact of foreign exchange currency	4,945	-
Adjusting balance	<u>170,995</u>	<u>166,050</u>
Balance at the End of the Period / Year	<u>170,995</u>	<u>166,050</u>

9. Receivables - Net

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Policyholders' receivable	15,634,770	13,517,178
Agents' receivable	3,082,015	3,287,171
Employees' receivable	113,596	101,074
Other receivables	<u>1,184,239</u>	<u>1,111,417</u>
	20,014,620	18,016,840
(Less): Expected credit loss *	<u>(3,471,308)</u>	<u>(3,428,412)</u>
Net Receivables	<u>16,543,312</u>	<u>14,588,428</u>

* The movement on the expected credit loss related to receivables is as follows:

	For the Nine Months Period Ended September 30, 2021 (Reviewed)	For the Year Ended December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,428,412	3,712,160
Impact of foreign exchange currency	43,069	-
Adjusting balance	<u>3,471,481</u>	<u>3,712,160</u>
(Released) during the period / year	-	(193,000)
(Less): Written-off debts	<u>(173)</u>	<u>(90,748)</u>
Balance at the End of the Period / Year	<u>3,471,308</u>	<u>3,428,412</u>

10. Re-insurance Receivable - Net

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local insurance companies *	2,321,675	2,539,096
Foreign re-insurance companies	<u>3,967,840</u>	<u>2,260,528</u>
	6,289,515	4,799,624
(Less): Expected credit loss for re-insurance Receivables **	<u>(961,642)</u>	<u>(961,642)</u>
	<u>5,327,873</u>	<u>3,837,982</u>

* The Company follows the settlement policy on local insurance companies' receivables within three months of the claim.

** The movement on the expected credit loss related to reinsurance receivable is as follows:

	For the Nine Months Period Ended September 30, 2021 (Reviewed)	For the Year Ended December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	961,642	861,642
Additions during the period / year	-	100,000
Balance at the end of the period / year	<u>961,642</u>	<u>961,642</u>

11. Other Assets

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Refundable deposits	1,306,813	1,381,748
Accrued revenue	392,465	35,605
Prepaid expenses	780,636	480,813
Income tax deposit (Note 18-a)	31,333	-
Other	361,315	335,038
	<u>2,872,562</u>	<u>2,233,204</u>

12. Due to Banks

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Cairo Amman Bank **	7,665,981	6,029,220
Arab Bank ***	5,309,908	-
	<u>17,975,889</u>	<u>11,029,220</u>

* This item represents the utilized balance as of September 30, 2021 of the overdraft facilities granted by Bank of Jordan at the ceiling of JD 5,000,000 at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

** This item represents the utilized balance as of September 30, 2021 of the overdraft facilities granted by Cairo Amman Bank at a ceiling of JD 8/9 million and an interest rate of 8% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

*** This item represents the utilized balance as of September 30, 2021 of the overdraft facilities granted by Arab bank at a ceiling of JD 5/5 million at an interest rate of 8.375% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial Company. The main objective of these facilities is to finance the Company's activities.

13. Re-insurance Payables

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local insurance companies	1,991,364	2,355,663
Foregin reinsurance companies	2,322,739	3,363,047
	<u>4,314,103</u>	<u>5,718,710</u>

14. Earnings Per Share for the Period (Basic and Diluted)

The details of this item are as follows:

	For the Three-Months Ended September 30,		For the Nine-Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Profit for the period	<u>(112,489)</u>	<u>411,173</u>	<u>1,034,392</u>	<u>2,856,322</u>
Weighted average number of shares	<u>Share 30,000,000</u>	<u>Share 30,000,000</u>	<u>Share 30,000,000</u>	<u>Share 30,000,000</u>
Earnings per Share for the Period (Basic and Diluted)	<u>JD / Share (0/004)</u>	<u>JD / Share 0/014</u>	<u>JD / Share 0/034</u>	<u>JD / Share 0/095</u>

15. Cash and Cash Equivalents

This item consists of the following:

	For the Nine-Months Period Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Cash on hand	57,023	129,162
Current accounts at banks	3,793,940	5,908,847
Deposits maturing within three months	23,832,855	16,212,368
	<u>27,683,818</u>	<u>22,250,377</u>

16. Balances and Transactions with Related Parties

Related parties, as defined in International Accounting Standard No. (24) (Related Party Disclosures), include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The balances and movements resulting from transactions with related parties are as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
<u>Interim Condensed Statement of Financial Position</u>		
<u>Items</u>		
Accounts receivable	651,338	1,433,024
Accounts payable	8,190	5,881
For the Nine-Months Period Ended September 30,		
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
<u>Interim Condensed Statement of Profit or Loss Items</u>		
Insurance premiums	860,533	567,997
Net payments to re-insurers	742,635	870,334
Claims	485,973	16,046

All transactions with related parties are related to the Board of Directors and their relatives.

- The following is a summary of the benefits (salaries, bonuses, and other benefits) of the executive management:

	For the Nine-Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Salaries and other benefits	451,250	452,050
	<u>451,250</u>	<u>452,050</u>

17. Assets and Liabilities Distribution by Sector

Information regarding the Company's reportable segments is set out below in accordance with IFRS No. (8). IFRS No. (8) requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Company's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance. The Company is mainly engaged in various insurance activities. The majority of the Company's revenue, profits and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-segment sales are charged at selling prices in natural conditions.

Distribution of the assets and liabilities as of September 30, 2021 and December 31, 2020 is as follows:

	September 30, 2021 (Reviewed)	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a. By Insurance Activity:		
Life and Medical	24,877,180	24,877,180
General Insurance	82,509,534	82,509,534
Total	<u>107,386,714</u>	<u>107,386,714</u>
b. By Geographical Distribution:		
Inside Jordan	77,599,138	98,668,091
Outside Jordan	29,787,576	8,718,623
	<u>107,386,714</u>	<u>107,386,714</u>
	December 31, 2020 (Audited)	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a. By Insurance Activity:		
Life and Medical	21,450,018	21,450,018
General Insurance	68,256,442	68,256,442
Total	<u>89,706,460</u>	<u>89,706,460</u>
b. By Geographical Distribution:		
Inside Jordan	67,260,776	75,010,317
Outside Jordan	22,445,684	14,696,143
	<u>89,706,460</u>	<u>89,706,460</u>

18. Income Tax

a. Income tax provision

Movement on the income tax provision is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	255,662	103,822
Accrued income tax for the period / year	85,000	516,000
Income tax paid for the period / year	(371,993)	(364,160)
Total Income Tax Deposits / Income Tax Provision	<u>(31,331)</u>	<u>255,662</u>

b. Income Tax Expense

The income tax expense stated in the interim condensed statement of profit or loss represent the following:

	For the Nine-Months Period Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income tax expense for the period	85,000	600,000
Deferred tax impact	114,673	(557,326)
Expense Income Tax for the Period	<u>199,673</u>	<u>42,674</u>

c. Tax Status

- A final settlement of income tax has been reached in Jordan until the end of 2016 and 2018. The Company submitted its tax return and paid the declared tax for the years of 2017, 2019 and 2020. The company's returns are still under the review of the Income and Sales Tax Department.
- The Company's branches profits in the United Arab Emirates are not taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2018 and the declared taxes were paid for the end of the year of 2018. The company also submitted the self-assessment form for the year 2019 and paid the stated tax, the form is under the review of the Kuwaiti Ministry of Finance – Tax Sector.
- The income tax due for the nine months ended September 30, 2021 has been calculated. In the opinion of the Company's management and tax advisor, the provisions in the interim condensed financial information are sufficient to mitigate any tax liabilities.

d. Deferred Tax Assets and Liabilities:

- The movement on the deferred tax assets is as follows:

	September 30, 2021 (Reviewed)				December 31, 2020 (Audited)	
Deferred Tax Assets Includes the following accounts:	Beginning Balance of the Period	Released amounts	Addition amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Expected Credit Loss	3,251,624	-	-	3,251,624	845,422	845,422
End of service Indemnity Provision	369,057	157,896	32,052	243,213	63,235	95,955
IBNR provision	3,007,608	-	51,657	3,059,265	795,409	781,978
Financial assets at fair value valuation losses through statement of profit or loss	2,160,334	366,863	-	1,793,471	466,303	561,687
Financial assets valuation losses through statement of comprehensive income	<u>3,395,983</u>	<u>1,112,221</u>	<u>-</u>	<u>2,283,762</u>	<u>593,778</u>	<u>882,955</u>
	<u>12,184,606</u>	<u>1,636,980</u>	<u>83,709</u>	<u>10,631,335</u>	<u>2,764,147</u>	<u>3,167,997</u>

- The movement on the deferred tax liabilities is as follows:

Deferred Tax Liabilities Includes the following accounts:	September 30, 2021 (Reviewed)				December 31, 2020 (Audited)	
	Beginning Balance of the Period	Released amounts	Addition amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Gains on financial assets valuation at fair value through statement of profit or loss	2,297,161	-	-	2,297,161	275,659	275,659
Gains on financial assets valuation at fair value through other comprehensive income	-	-	8,652,847	8,652,847	1,038,342	-
	<u>2,297,161</u>	<u>-</u>	<u>8,652,847</u>	<u>10,950,008</u>	<u>1,314,001</u>	<u>275,659</u>

- The movement of the deferred tax assets during the period / year is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,167,997	1,520,642
Addition	21,764	1,672,683
Released	(425,614)	(25,328)
Balance at the End of the Period / Year	<u>2,764,147</u>	<u>3,167,997</u>

- The Movement of the Deferred Tax Liabilities during the period / year is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	275,659	-
Addition	1,038,342	275,659
Released	-	-
Balance at the End of the Period / Year	<u>1,314,001</u>	<u>275,659</u>

In the opinion of the Company's management and its tax advisor, the company has the future ability to benefit from the deferred tax balances resulting from the reserves stated above.

19. Net Property and Equipment

During the nine months ending in September 30, 2021 there was addition on property and equipment JD 25,749.

20. Lawsuits Against the Company

There are lawsuits raised against the Company seeking compensation on various accidents., Lawsuits at courts with determinable values amounted to approximately JD 2,141,456 as of September 30, 2021 (JD 1,854,235 as of December 31, 2020). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

21. Contingent Liabilities

As of the date of the interim condensed financial information the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,746,895 and it is guaranteed by the Company's financial solvency as of September 30, 2021 (JD 3,046,800 as of December 31, 2020).

22. Approval of Interim Condensed Financial Information

The interim condensed financial information were approved by the Board of Directors and authorized for issue on October 27, 2021.

23. Solvency Margin

The Company achieved the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of September 30, 2021, noting that the solvency margin of the Company is 200% without taking into consideration the excesses approved by the Insurance Management.

24. Impact of Coronavirus (Covid-19)

The management has taken into consideration the impact of the COVID-19 virus and its unique circumstances and studied the risks of exposures to the Company, as well as evaluating the expected effects on the Company's business and operations in order to review and evaluate the potential risks arising from this event, the Company's management also constantly monitoring the impact of this event and its impact on the Company's continuity including its adequacy and capital adequacy, and assessed its impact on management's estimates used, including the expected credit loss model for related financial assets, valuation of investments, debt instruments, shareholders' equity and indicators' assessment of tangible assets impairment, and the reasonableness of the inputs used for this purpose In the consolidated financial statements as of December 31, 2020. There was no modification to the interim condensed consolidated financial information for the period ended September 30, 2021.

25. Fair Value Hierarchy

a. Fair value of financial assets for the Company that are continuously determined at fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the financial assets for the Company are measured at fair value at the end of each financial period, the following table gives information about how the fair value of these financial assets are determined (evaluation methods and inputs used).

Financial Assets	Fair Value		Valuation Methods and Inputs Used	Significant Intangible Inputs	Relationship between Significant Intangible Inputs to fair value
	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)			
Shares	2,618,551	2,251,681	Prices Listed In Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income:					
Shares with available market prices	22,615,545	12,635,234	Prices Listed In Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market prices	29,825	21,843	The net asset value through the most recent financial information available	Not Applicable	Not Applicable
Shares with unavailable market prices	4,239,444	4,239,444	Cash flow discount method	Applicable	Applicable
Total Financial Assets at Fair Value	26,884,814	16,896,521			

There were no transfers between level one, level two and level three during the nine months ended September 30, 2021 and the year ended December 31, 2020.

b. Fair value of financial assets and financial liabilities for the company that are not continuously determined at fair value:

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the Company's financial information approximate their fair values:

Financial assets with undetermined fair value	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)	
	Book value	Fair value	Book value	Fair value
Deposits at banks	26,308,477	26,834,647	18,151,137	18,514,160
Life insurance policyholders' loans	38,539	39,310	44,539	45,430
Investment properties	15,391,077	26,433,643	16,398,445	28,116,536
Total Financial assets with undetermined fair value	41,738,093	53,307,600	34,594,121	46,676,126

The fair values of the financial assets included in level three hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.